

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
February 10, 2010
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mark Pentz, Chandler, Chair	Darryl Crossman, Litchfield Park
Carl Swenson, Peoria, Vice Chair	Christopher Brady, Mesa
# George Hoffman, Apache Junction	* Jim Bacon, Paradise Valley
Charlie McClendon, Avondale	David Cavazos, Phoenix
David Johnson for Stephen Cleveland, Buckeye	John Kross, Queen Creek
Gary Neiss, Carefree	* Bryan Meyers, Salt River Pima-Maricopa Indian Community
* Usama Abujbarah, Cave Creek	Dave Richert, Scottsdale
Spencer Isom for B.J. Cornwall, El Mirage	Joy Grainger for Randy Oliver, Surprise
* Phil Dorchester, Fort McDowell Yavapai Nation	Charlie Meyer, Tempe
Rick Davis, Fountain Hills	# Chris Hagen for Reyes Medrano, Tolleson
Rick Buss, Gila Bend	# Gary Edwards, Wickenburg
* David White, Gila River Indian Community	Lloyce Robinson, Youngtown
George Pettit, Gilbert	* John Halikowski, ADOT
Brent Stoddard for Ed Beasley, Glendale	Kenny Harris for David Smith, Maricopa County
Mark Gaillard for John Fischbach, Goodyear	David Boggs, Valley Metro/RPTA
Bill Hernandez, Guadalupe	

- * Those members neither present nor represented by proxy.
- # Participated by telephone conference call.
- + Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chair Mark Pentz at 12:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Pentz noted that George Hoffman, Gary Edwards and Chris Hagen were participating in the meeting via teleconference.

Chair Pentz presented a Resolution of Appreciation on behalf of the Management Committee to George Pettit, who was retiring from the Town of Gilbert after 25 years of service. The

Resolution noted that Mr. Pettit had served as Chair of the MAG Population Technical Advisory Committee for 14 years. Mr. Pettit expressed his gratitude for the Resolution, and commented that recognition reminds a person that achievements are not accomplished alone. He expressed his appreciation to MAG staff members, Rita Walton, Harry Wolfe and Heidi Pahl, and commented that Dennis Smith should be congratulated for the hard-working staff at MAG. Mr. Pettit received a standing ovation.

Chair Pentz announced that public comment cards were available to members of the public who wish to comment. He noted that parking garage validation and transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

Chair Pentz noted that a revised Attachment D material for agenda item #5J was at each place.

3. Call to the Audience

Chair Pentz stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chair Pentz noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations.

Chair Pentz recognized public comment from Dianne Barker, a resident of Phoenix, who noted that she had received a transit ticket for taking the bus. Ms. Barker stated that in her public comments at the January Regional Council meetings, she reported that the Citizens Transportation Oversight Committee has now adopted the MAG public participation process. She stated that citizens are happy to participate. She stated that MAG has put funding toward the installation of street signs using the Clearview font, which makes the roads safer and helps visitors get around. Ms. Barker noted that the signage posted for detours needs to improve; when there are accidents, there needs to be a way to push traffic from the trouble spots. She relayed her own experience being detoured for hours when an accident occurred on I-10 in the Casa Grande area. Ms. Barker stated that she was not a traffic mobilization expert, and she implored those who are to do something. She expressed support for the committed measures in the MAG 2007 Five Percent Plan for PM-10 that were being implemented, such as restricting the speed limit to less than 50 mph on dirt roads and limiting the use of leaf blowers. Chair Pentz thanked Ms. Barker for her comments.

4. Executive Director's Report

No report was provided.

5. Approval of Consent Agenda

Chair Pentz stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, and #5L were on the Consent Agenda. He reviewed the public comment guidelines for the Consent Agenda. Chair Pentz noted that no public comment cards had been received.

Chair Pentz asked if any member of the Committee had questions or a request to have a presentation on any Consent Agenda item. None were noted.

Mr. Crossman moved to recommend approval of Consent Agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, and #5L. Mr. Meyer seconded, and the motion carried unanimously.

5A. Approval of January 13, 2010, Meeting Minutes

The Management Committee, by consent, approved the January 13, 2010, meeting minutes.

5B. Regional Community Network Roles and Responsibilities

The Management Committee, by consent, recommended approval of the Regional Community Network Roles and Responsibilities document. The Regional Community Network (RCN) project is a fiber optic communications network that, when completed, would connect all MAG member agencies for the primary purpose of coordinating traffic control operations between neighboring agencies. The first phase of the project is currently being implemented by the Arizona Department of Transportation through an Intelligent Transportation Systems (ITS) project. The RCN Working Group, consisting of members of the MAG ITS Committee and the MAG Technology Advisory Group (TAG), has developed a Roles and Responsibilities document to facilitate the operation of the network. The MAG ITS Committee, the MAG TAG, and the Transportation Review Committee recommended approval of the Roles and Responsibilities document.

5C. Recommendation to the Arizona Department of Transportation's Safe Routes to School Program

The Management Committee, by consent, recommended approval of the ranked list of projects to be submitted to the Arizona Department of Transportation for the Safe Routes to School Program. The Arizona Department of Transportation's (ADOT) Safe Routes to School (SRTS) Program provides annual grants for road safety improvement projects that are related to access to schools. The program provides grants to public and nonprofit agencies for projects that improve road safety and encourage more K-8 children to walk or bike to their neighborhood schools. This is the fourth cycle of the program, and grants will be provided to projects that implement infrastructure improvements as well as projects that would involve education, training and encouragement. In response to the ADOT request for proposals announced in October 2009, a total of 10 project applications from the MAG region was received by ADOT. The ADOT proposal review process stipulates that MPOs and COGs must recommend a ranked list of projects to ADOT by February 26, 2010. These recommendations will be considered by a statewide SRTS panel that will make a final recommendation to ADOT. The MAG Transportation Safety Committee reviewed all project proposals, and on January 26, 2010, recommended a ranked list of projects from the region as the MAG recommendation to ADOT.

5D. On-Call Transportation Planning Consultant Services Program

The Management Committee, by consent, recommended amending the FY 2010 MAG Unified Planning Work Program and Annual Budget for \$150,000 to provide for an On-Call

Transportation Planning Consultant Services program. MAG presently uses on-call services contracts to supplement staff capabilities with expertise in specialized areas of Intelligent Transportation Systems (ITS), Safety, and Transportation Modeling to expedite delivery of key programs in the Unified Planning Work Program (UPWP). As transportation planning demands continue to expand at MAG, a new on-call services contract is sought for general transportation planning applications. For this proposed On-Call Transportation Planning Consultant Services program, MAG will select qualified consultants to assist staff in the following five service areas: Civil Engineering, Transportation Planning, Transportation Operations, Policy and Finance, and Public Involvement.

5E. Project Changes – Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program and FY 2010 Arterial Life Cycle Program

The Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, the FY 2011 Arterial Life Cycle Program, and as appropriate, to the Regional Transportation Plan 2007 Update. The fiscal year (FY) 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP) 2007 Update were approved by the MAG Regional Council on July 25, 2007; and the FY 2010 Arterial Life Cycle Program was approved on June 24, 2009. Since that time, there have been requests from member agencies to modify projects in the program. To move forward with project implementation for FY 2010, the Arizona Department of Transportation (ADOT) requested a new right of way project, and project cost modifications to another landscape project. There are also two ADOT projects proposed to be funded with ARRA II; these projects are dependent on funding availability and a new conformity determination. There are two new projects to be amended into the TIP related to the Lake Pleasant Parkway project in Peoria. Funding for these two projects are through the Arterial Life Cycle Program (ALCP) from project savings from another Peoria project; project budgets and life cycle expenditures are in balance. There is a total of fourteen new transit projects that need to be added to the FY2008-2012 MAG TIP. There are seven projects related to the federal 5316 - Job Access and Reverse Commute (JARC) program, and seven new projects related to the federal 5317 - New Freedom program. Both programs have federal funds available for these fourteen projects, and the projects did go through a documented application and review process. These projects were heard for the first time at the MAG Management Committee.

5F. Programming of Projects for MAG Federal Congestion Mitigation and Air Quality Funding in the Draft 2011-2015 MAG Transportation Improvement Program

The Management Committee, by consent, recommended approval of a list of Congestion Mitigation and Air Quality funded projects to be added to the Draft FY 2011-2015 MAG Transportation Improvement Program. The MAG Regional Transportation Plan (RTP) allocates MAG Federal Congestion Mitigation and Air Quality (CMAQ) funds to specific modes, and, in some cases, identifies specific projects for the funds. For Intelligent Transportation Systems (ITS), Bicycle, Pedestrian and Air Quality projects, the RTP identified CMAQ allocations, but did not specify individual projects. The CMAQ funding available for PM-10 Pave Unpaved Road projects in FY 2013 is \$4.904 million; \$6.887 million is available for ITS projects in FY 2014; \$8.737 million is available for Bicycle and Pedestrian projects in FY 2014; and \$7.503 million

is available for Air Quality/Travel Demand Management Programs. Applications were made available in August 2009 with a due date of September 18, 2009. The related technical advisory committees (TAC) went through a two-tiered committee review process starting in October that resulted in project rankings by the ITS and Bicycle/Pedestrian Committees in November and the Air Quality TAC in December. The Transportation Review Committee (TRC) met in December 2009 and recommended modifications to federal funds for ITS, bicycle/pedestrian, and pave unpaved road projects. MAG staff coordinated the modified project funding amounts and information with the corresponding agency for agreement and modification of project, scope, and costs. This process follows the Draft MAG Federal Fund Programming Principles. In January 2010, the TRC recommended approval of the projects as shown in the attached tables.

5G. American Recovery and Reinvestment Act (ARRA) Monthly Status Report

A Status Report on the American Recovery and Reinvestment Act (ARRA) funds dedicated to transportation projects in the MAG region details the status of project development as of January 19, 2010. The report covers highway, local, transit, and enhancement projects programmed with ARRA funds and the status of project development milestones per project. This item was on the agenda for information and discussion.

5H. New Finding of Conformity for the FY 2008-2012 MAG Transportation Improvement Program and Regional Transportation Plan 2007 Update, As Amended

The Management Committee, by consent, recommended approval of the new Finding of Conformity for the FY 2008-2012 MAG Transportation Improvement Program and Regional Transportation Plan 2007 Update, as amended. On July 25, 2007, the MAG Regional Council approved a Finding of Conformity for the FY 2008-2012 MAG Transportation Improvement Program (TIP) and MAG Regional Transportation Plan 2007 Update. Since that time, an amendment has been proposed that includes a design-build project to complete High Occupancy Vehicle (HOV) lanes on the Santan Freeway Loop 202 from Interstate-10 to approximately Gilbert Road, including the ramp connections at Interstate-10 and Loop 101, and a design-build project to complete the HOV lanes and other improvements on Loop 101 from Tatum Boulevard to the junction with Interstate-10. MAG has conducted a regional emissions analysis for the proposed amendment and the results of the regional emissions analysis, when considered together with the TIP and RTP as a whole, indicate that the transportation projects will not contribute to violations of federal air quality standards. On January 25, 2010, a 30-day public review period began on the conformity assessment and amendment. Comments were requested by February 24, 2010.

5I. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2008-2012 MAG Transportation Improvement Program (TIP). The proposed amendment and administrative modification involve projects for Peoria and the Arizona Department of Transportation for FY 2010. In addition, the amendment and administrative modification involve Regional Public Transportation Authority and City of Phoenix projects funded through the Job Access and Reverse Commute and New

Freedom programs. The amendment includes projects that are exempt from a conformity determination and the administrative modification includes minor project revisions that do not require a conformity determination. Comments on the conformity assessment were requested by February 24, 2010. This item is on the agenda for consultation.

5J. Development of the FY 2011 MAG Unified Planning Work Program and Annual Budget

Each year, staff develops the MAG Unified Planning Work Program and Annual Budget. The Work Program is reviewed each year by the federal agencies and approved by the Regional Council in May. A review of the detailed draft Work Program and Budget is scheduled for March. This presentation is an overview of MAG's early FY 2011 proposed projects for the FY 2011 Work Program. The Budget Workshop, which will also be available via Webinar, is scheduled for Thursday, February 25, 2010, at 1:30 p.m. in the MAG Palo Verde Room. A draft Dues and Assessments worksheet is included in this material. The draft Dues and Assessments increase each fiscal year is calculated using the average CPI-U from the prior calendar year. Because of the uncertainty of economic conditions, the FY 2010 Work Program, Dues and Assessments were reduced by fifty percent and minimum dues and assessments were not applied to the individual members dues and assessments. With the continuing uncertainty of economic conditions for MAG member agencies, MAG staff is proposing to continue with the overall reduction in the FY 2011 draft Dues and Assessments of fifty percent. Draft Dues and Assessments were presented with and without the minimum dues and assessments in January. In the January 19, 2010 Executive Committee meeting, it was recommended that staff discuss the application of minimum dues and assessments with the affected members. The affected members agreed that applying the minimum to dues and assessments will help cover the administrative costs for meetings at MAG and going forward, draft Dues and Assessments reflect the minimum dues amount of \$350. The changes to draft Dues and Assessments compared to FY 2010 are due to the application of the minimum dues and assessments for each member and the changes for individual members because of population shifts. This item was on the agenda for information and input on the development of the fiscal year (FY) 2011 MAG Unified Planning Work Program and Annual Budget.

5K. MAG FY 2011 Regional Human Services Plan

The Management Committee, by consent, recommended approval of the MAG FY 2011 Regional Human Services Plan, including the Social Services Block Grant allocation recommendations. The FY 2011 Regional Human Services Plan recommends funding allocations for the Social Services Block Grant (SSBG). The plan also presents the strategies used by public and private agencies to address the impact of the recession on human services delivery. On January 14, 2010, the MAG Human Services Technical Committee voted unanimously to recommend approval of the FY 2011 Regional Human Services Plan, including the SSBG allocations. On January 19, 2010, the MAG Human Services Coordinating Committee voted unanimously to recommend approval of the FY 2011 MAG Regional Human Services Plan and the SSBG allocation recommendations.

5L. Status Update on the June 30, 2009 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report (CAFR) and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 2009

The Management Committee, by consent, recommended acceptance of the audit opinion issued on the MAG Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2009. The public accounting firm of LarsonAllen, LLP, has completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 2009. An unqualified audit opinion was issued on January 29, 2010, on the financial statements of governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information. The independent auditors' report on compliance with the requirements applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there was a significant deficiency in MAG's internal control over financial reporting considered to be a material weakness that was corrected prior to the issuance of the statements. There were no instances of noncompliance considered to be material and no questioned costs. The Single Audit report had no repeat findings. No new or repeat Management Letter comments were issued for the fiscal year ended June 30, 2009.

6. Proposed Federal Economic Stimulus Legislation

Eric Anderson reported on the potential Stimulus II legislation. He stated that the "Jobs for Main Street" bill, which is patterned after the American Reinvestment and Recovery Act (ARRA) legislation, was passed by the U. S. House of Representatives on December 16, 2009.

Mr. Anderson stated that the funding levels for this legislation are about the same as the ARRA legislation: approximately \$27.5 billion for highways, bridges, and streets and about \$8.4 billion for transit. He noted that the bill is due to be debated in the Senate. Mr. Anderson stated that staff saw some of the provisions in the draft Senate bill the day before and it appeared that the funding for highways and streets is about half of the amount in the House version—about \$14.5 billion—and about \$7.9 billion for transit.

Mr. Anderson reported that there is a big push to get legislation out of the Senate and to Conference Committee and signed by the President this week. He remarked that Congressional leadership is rumored that it will keep the House and Senate in session over the weekend until a bill is out.

Mr. Anderson stated that the provisions in the House version include very quick spending triggers. He explained that in the ARRA legislation, one-half of state highway funds had to be obligated within 120 days, which means that the Federal Highway Administration signs a project authorization form that gives ADOT the authority to advertise the project, however, the House bill passed in December includes a provision that 50 percent of all of the stimulus funds, both highway and local, must have completed all of the processes and be under contract within 90 days. He advised that in response to the House provisions and concern about meeting those deadlines, MAG was asked to develop a couple of projects for the region that could be ready if the stimulus bill passed out of Congress and was signed by the President this month.

Mr. Anderson stated that because this is moving so quickly, two projects were identified that were brought forward in January 2010 to the Transportation Policy Committee and Regional Council for approval subject to air quality conformity, but were not brought before the Management Committee. Mr. Anderson described the two design build projects that were identified by MAG and ADOT: a project for HOV lanes on the Santan Freeway from I-10 to approximately Gilbert Road, including the ramp connections at I-10 and L101 (\$146 million); and a project for L101 to complete the HOV lanes and other improvements from Tatum Boulevard to the junction with I-10 in the West Valley (\$139.5 million). Mr. Anderson noted that the Loop 101 project has major regional benefit: it would complete the HOV system and also would correct an interchange problem at I-17. He added that ADOT thinks that both of these projects could be under contract within a 90-day timeframe and both of these projects have tremendous regional benefit.

Chair Pentz thanked Mr. Anderson for his report and asked members if they had questions.

Mr. Hernandez asked for clarification that the two projects had not been presented to the Management Committee. Mr. Anderson replied that was correct. Mr. Hernandez indicated that he felt better because he thought he had missed something. He said that in talking to staff he got a different picture. Mr. Hernandez said that he would strongly suggest that before jumping to the Regional Council, these types of decisions are presented to the Management Committee first; otherwise, they are wasting their time. Mr. Anderson noted that 99 percent of the time, issues are presented to the Management Committee before being considered by the Regional Council, however, the parameters of the potential legislation presented a significant timing issue. He advised that MAG was requested by ADOT and Federal Highway Administration to have projects ready to go and was trying to accommodate the rapid turnaround. Mr. Anderson stated that there was speculation that the Senate might take action on the legislation in January which would start the clock ticking, and this was the reason for taking the item straight to the Transportation Policy Committee and Regional Council. He apologized for this situation, but it was a unique circumstance.

7. Financial Planning and Fiscal Constraint Requirements for Federal Transportation Funding and Status of Federal Funds Rescission at the Arizona Department of Transportation

Mr. Anderson stated that this agenda item was a two-part discussion and he would give a report on the financial planning and fiscal constraint requirements MAG follows for federal transportation funding and the status of federal funds in Arizona, particularly in the MAG region.

Mr. Anderson stated that the Transportation Improvement Program (TIP) must be constrained to committed revenues, which means that a project cannot be included in the TIP unless it has identified and committed funding sources. In addition, the Regional Transportation Plan (RTP) must be constrained to reasonably available revenues, which allows MAG to make reasonable planning assumptions for sources of revenue, such as assuming that the one-half cent sales tax for transportation or the City of Phoenix Transit 2000 taxes would be continued. Mr. Anderson noted that MAG is in a nonattainment area and they make sure that projects included will proceed to construction.

Mr. Anderson stated that costs for operations and maintenance of the transportation system and committed or reasonably available revenues to cover those costs must be addressed in the RTP. He stated that one of the recommendations from the MAG Certification Review by the Federal Highway Administration and Federal Transit Administration conducted in November 2009 was that MAG produce a Financial Report to document revenues and financial assumptions being made in the RTP.

Mr. Anderson reported that over the past year, the Federal Transit Administration has requested that MAG concur on transit grants. He explained that when an agency applies for transit funds, the Federal Transit Administration will ask MAG to verify that the transit operator has operating funds for expanded or new service. Mr. Anderson advised that this is a new provision and was added as a result of concerns about using grant funds for capital projects to expand service if there are not the funds to operate them. He added that recently, MAG has been requested on a couple of occasions to verify funds.

Mr. Anderson stated that a letter from Federal Highway Administration and Federal Transit Administration was included in the agenda packet that says they will not approve any State TIP amendments (the State TIP includes the MAG TIP) until the MAG TIP reflects the current revenue at local and federal levels.

Mr. Anderson informed the Management Committee that within the next few months as the TIP and RTP are being developed, MAG staff will approach some of the member agencies with a request for financial information to begin development of the Financial Report requested by the Federal Highway Administration and Federal Transit Administration at the Certification Review. Mr. Anderson advised that the information requested could include the current levels of funding for streets and transit capital and operations/maintenance; sources of revenue; documentation of local transportation sales tax projections; and revenue enhancements or changes currently planned, such as a bond election.

Mr. Anderson asked members if they had any questions on this section of his report. None were noted.

Mr. Anderson continued with his presentation by presenting a report on the status of federal highway funding. He provided a review of the key federal transportation finance terms and noted that federal funding is a difficult issue to understand because of its complexity. Authorizations: Congress passes enabling legislation for the Surface Transportation Act. He stated that the last legislation passed was SAFE-TEA-LU in 2005 and provides overall funding for the next six years. Mr. Anderson stated that the amount is the maximum annual funding that Congress says could become available over the term of the authorization.

Mr. Anderson defined Appropriation: Each year Congress does an appropriation, which sets the actual amount of funding for the program. Mr. Anderson noted that an Authorization needs an Appropriation to go with it on an annual basis.

Mr. Anderson defined Apportionment: The Federal Highway Administration distributes the apportioned funds to states using a formula. He noted that Arizona receives approximately \$600 million in federal highway funds each year.

Mr. Anderson defined Obligation Authority (OA): He explained that OA is a little known percentage of the apportionment that comes from Federal Highway Administration that can be obligated in the year. Mr. Anderson explained that Federal Highway Administration apportions money and specifies a percentage of that apportionment that actually can be spent.

Mr. Anderson defined Rescission: An act by Congress to revoke an apportionment. He noted that in September 2009 there was a rescission of approximately \$171 million from Arizona of highway funds. Mr. Anderson stated that what was lost was the apportionment, but not the ability to spend.

Mr. Smith stated that Federal Highway Administration gives Arizona approximately \$600 million per year, but allows the state to spend only 93 percent of that amount. He explained that the unspent money has been building up over the years and the reason Congress wants it back is to show they reduced the federal deficit. Mr. Smith advised that the apportionment money that Congress wants returned could not have been spent by MAG anyway.

Mr. Anderson stated that he had no answer as to why Congress gives money and then says it cannot be spent completely.

Mr. Anderson displayed a flow chart of the federal highway funding process and pointed out the Obligation Authority box which builds up over time. He stated that Congress took back \$171 million from Arizona through rescission from that pot of money. Mr. Anderson advised that ADOT does not have any unobligated balances remaining because they have been zeroed out through the rescissions that have taken place since 2005, and he added that if Congress imposed another rescission, the amount of money that MAG could spend on projects would decrease.

Mr. Anderson stated that because Congress has not passed Reauthorization, federal transportation funding given to MAG has been operating under continuing resolutions. He noted that the current continuing Resolution carries on what happened in FY 2009, including rescissions. Mr. Anderson stated that what Congress has done is give money, allows a percentage to be spent, and then takes back the percentage not spent. He explained that right now, Arizona has the authorization to spend 41 percent of its allocation less 30 percent. Mr. Anderson advised that if the continuing resolution issue is not fixed permanently this month, Arizona could lose approximately \$200 million of its \$600 million apportionment. He commented that this would impact state and regional highway projects, STP projects, and CMAQ projects.

Mr. Anderson stated that one of staff's recommendations is for the region's lobbyists to contact the Congressional delegation to fix the rescission issue. He said that in reading the draft bill it appeared to him that rescission would be repealed. Mr. Anderson remarked that awareness of this issue is important because it has big implications.

Mr. Anderson stated that another important point is that MAG does not have a current ledger from ADOT on the status of its federal funds. He explained that a ledger is like a bank statement and

MAG has not received a ledger since September 2008, and has been doing back of the envelope accounting since then. Mr. Anderson stated that MAG has a very aggressive and active management program in managing its federal funds, and not having a statement of the impacts of the rescissions and other issues makes this management very difficult.

Mr. Anderson stated that MAG staff met with senior ADOT staff on February 8 because MAG staff had been receiving questions if there was sufficient money to fund projects in the TIP and he could not answer those questions. He commented that it is very difficult for MAG to manage the program efficiently and get money out the door to create jobs without accurate information.

Mr. Anderson stated that ADOT is constrained by the continuing resolutions, which caused great turmoil, and is still in the process of reconciling its books. He added that ADOT is hesitant to share financial information until it is sure it is accurate. Mr. Anderson informed the Committee that he had spoken to John Fink, ADOT CFO, who indicated that he thought the outcome would be positive. He said that he informed Mr. Fink that MAG needs to know the facts because it is important in moving projects forward. Mr. Anderson expressed his apologies for the complexity of the presentation, but these are complicated issues and millions of dollars are at risk.

Chair Pentz thanked Mr. Anderson for his report and asked if there were any questions.

Mr. Smith asked Mr. Anderson the amount of carry forward. Mr. Anderson replied that MAG has a planned carry forward of approximately \$40 million to \$45 million from last fiscal year to this fiscal year. He said that the question is whether those funds are still on deposit at ADOT. Mr. Anderson stated that a large portion of that amount was for the Northern Avenue Parkway project, and if \$40 million is gone, it will be a serious issue. He stated that ADOT cannot give a definitive answer at this point until the ledger becomes available.

Mr. Smith stated that ADOT has given MAG assurances if the Northern Avenue Parkway project was ready to proceed, ADOT would be able to fund it, however, with the potential 30 percent rescission, ADOT is unable to say it will be able to fund all of MAG's projects. Mr. Smith advised that ADOT has indicated that the ledgers would be available the end of February, and he suggested that a report from ADOT on the ledgers be given at the next Management Committee meeting. He added that ADOT has reported there is a problem with the previous accounting and it has moved the responsibility from the planning section to the fiscal section. Mr. Smith stated that MAG needs to develop a Financial Report and vouch for the funding in the TIP. He advised that projects cannot be put in the TIP and the air quality benefits claimed unless the money is available to fund the projects. Mr. Smith stated that MAG has gone long enough without a ledger. He said that John Halikowski has assured MAG he is on top of it and MAG will have the ledger by the end of February.

Chair Pentz asked Mr. Smith to add a report on the ADOT ledger to the March Management Committee agenda.

Vice Chair Swenson thanked Mr. Smith and Mr. Anderson for their efforts on this issue, which affects projects important to the City of Peoria, and is something that everyone should be

concerned about. He stated that bringing the ADOT representative to the next meeting is timely and important.

Mr. Stoddard also expressed his appreciation and expressed that the City of Glendale became very concerned, especially when they heard that the \$40-\$45 million in carry forward could be gone. Mr. Stoddard asked if anyone knew the status of those funds. Mr. Smith replied that MAG staff was told by ADOT that the Northern Avenue Parkway project would be funded, but the carry forward balance is unknown until the ledger is completed. Mr. Stoddard commented that when the ledger becomes available, he hoped to see the full balance of the carry forward, and he urged ADOT to protect those funds. Mr. Stoddard stated that a balance for the Northern Avenue Parkway project of \$20-\$25 million has been carried forward since 2006 and the project will come forward in April or May. He said that he was glad to hear the assurances from ADOT that ensure the project will be funded and will start on time.

Mr. Smith stated that this matter came to MAG's attention when there was an issue with a Peoria project and MAG was told there were no STP funds. He stated that there should have been some STP funds because of the continuing resolution. Mr. Smith stated that until the ledger is completed the total will be unknown. He added that ADOT has told MAG that it has paid every bill that has been presented.

8. 2008 Implementation Status of Committed Measures in the MAG 2007 Five Percent Plan for PM-10

Cathy Arthur, MAG Senior Air Quality Policy Planner, provided a report on the status of the committed measures in the MAG 2007 Five Percent Plan for PM-10. She stated that on May 23, 2007, the MAG Regional Council approved additional items for the Suggested List of Measures to reduce PM-10. Ms. Arthur stated that one of these items was that MAG would issue a report each year on the status of implementation of committed measures in the MAG 2007 Five Percent Plan for PM-10, and she added that the report would be made available to the Governor's Office, Legislature, the Arizona Department of Environmental Quality (ADEQ), and Environmental Protection Agency (EPA).

Ms. Arthur advised that the 2007 Five Percent Plan for PM-10 was submitted on time to the EPA in December 2007, as required by the Clean Air Act. She said that the Plan contained 53 committed measures that began implementation in 2008, and she added that modeling demonstrates attainment of the PM-10 standard in 2010. Ms. Arthur stated that clean data are required at monitors in 2008, 2009 and 2010 in order to attain the PM-10 standard, and she said that MAG will report the implementation status of the committed measures in the Plan two more times.

Ms. Arthur stated that MAG staff, in consultation with member agencies, developed tracking forms to assist member agencies in reporting progress in implementing the measures. She advised that the forms were sent to member agencies in March 2009 and the completed forms were received back from all agencies by July 2009. Ms. Arthur noted that three MAG workshops were held on tracking the implementation of the measures in the Five Percent Plan, in December 2007, September 2008, and March 2009.

Ms. Arthur then provided a summary of the measures tracked. She stated that there are 18 measures implemented by the State, 39 by Maricopa County and 15 by local governments. Ms. Arthur also indicated that 25 of the measures were quantified for credit against the Five Percent Plan and the modeling of attainment, 11 were quantified as contingency measures, and 17 were not quantified.

Ms. Arthur reviewed Measure 26: Pave or stabilize existing public dirt roads/alleys, which exceeded the commitments. Ms. Arthur stated that 62 miles of public dirt roads were paved or stabilized in 2008, which is 12 miles more than the commitments; and 242 miles of dirt alleys were paved or stabilized in 2008, which is 90 miles more than the commitments. She stated that 412 curb miles of shoulder were paved or stabilized in 2008, 167 miles more than the commitment. Ms. Arthur also gave as an example Measure 8: Conduct nighttime and weekend inspections. She noted that the largest PM-10 reduction credit in the Plan was taken for this measure. Ms. Arthur stated that Maricopa County conducted some nighttime and weekend inspections in 2008, but the program was not fully implemented, as the County was focused on hiring and training additional staff. She noted that the County is making more progress in 2009, and has initiated a pilot program, followed by cross-training of inspectors.

Ms. Arthur concluded her presentation by summarizing the report: A majority of the implementation results meet or exceed commitments in the Plan; most measures began implementation in 2008; some measures (e.g., paving projects due to economic conditions) will not be fully implemented until 2009 or 2010; MAG will continue to track progress in implementing Plan commitments in 2009 and 2010 and PM-10 concentrations at the monitors; and the measures need to be implemented as quickly as possible to attain the PM-10 standard by 2010. Ms. Arthur indicated that the MAG Air Quality Technical Advisory Committee had recommended approval of this item on January 28, 2010.

Chair Pentz thanked Ms. Arthur for her report and asked members if they had questions.

Mr. Harris asked if the report was distributed to the County Air Quality Director and other County staff. Ms. Arthur replied yes, and added that the report had been developed with the input of the County because it was involved in three-quarters of the measures.

Mr. Kross moved to recommend forwarding the 2008 Implementation Status of Committed Measures in the MAG 2007 Five Percent Plan for PM-10 in the Maricopa County Nonattainment Area to the Governor's Office, Legislature, Arizona Department of Environmental Quality, and the Environmental Protection Agency. Mr. Cavazos seconded, and the motion passed unanimously.

9. Request for Future Agenda Items

Topics or issues of interest that the Management Committee would like to have considered for discussion at a future meeting will be requested.

No requests were noted.

10. Comments from the Committee

An opportunity will be provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments were noted.

11. Adjournment

There being no further business, the meeting adjourned at 1:00 p.m.

Chair

Secretary